

**PIKE COUNTY PROJECT DEVELOPMENT BOARD**

**MEETING MINUTES**

**Pike County Courthouse  
Pikeville, Kentucky**

**March 6, 2008, at 5:00 p.m.**

AOC CONSTRUCTION FILE  
COUNTY: PIKE  
FILE CODE: PDB1  
SUBMITTED BY: JL  
DATE: 5/2/08

**CHAIR: Judge/Executive Wayne T. Rutherford**

**MEMBERS OF THE BOARD PRESENT:**

**Magistrate Jeff Anderson  
City Manager/AOC Representative Donovan Blackburn  
Circuit Judge Eddy Coleman  
Circuit Court Clerk David Deskins  
AOC Project Manager Jeff Lilly  
Citizen at Large Hon. Charles E. Lowe, Jr.  
District Judge Darrell Mullins  
State Bar Association Representative Neal Smith  
Jeff Lilly, AOC Project Manager**

**OTHERS PRESENT:**

**Ryan Barrow, Ross, Sinclair & Associates  
Justice Bradford, Artisans Center  
Bobby Branham, Executive Assistant to Judge/Executive  
Roland Case, Assistant County Attorney  
Mike Nusser, Artisans Center  
Tinker Page  
Robert Pinson, Property Owner  
Terry Ratliff, Artisans Center  
Stephanie Richards, Artisans Center  
Jeanne Robinson, Executive Assistant to Judge/Executive  
Steve Sherman, Sherman, Carter & Barnhart  
Mike Stewart, Grace Fellowship**

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Judge/Executive Wayne T. Rutherford, Chair of the Pike County Project Development Board, called to order a regular meeting of the Board on March 6, 2008, at 5:00 p.m., in the Pike County Fiscal Courtroom, Pike County Courthouse, 146 Main Street, Pikeville, Kentucky. **Upon motion by Neal Smith and second by David Deskins, the board meeting minutes for February 7, 2008, were unanimously APPROVED.**

Judge Rutherford stated discussion of the action taken by the Pike County Fiscal Court on March 4, 2008, would be the first item of business. He called upon Assistant Pike County Attorney R. Roland Case who stated he wanted to have something in writing from the Administrative Office of the Courts that it would underwrite or pay for the land acquisition. Jeff Lilly, AOC Project Manager, answered that should be covered in the Memorandum of Understanding as signed by Pike County before the project began.

Attorney Case noted eminent domain/condemnation requires the independent viewers and the fact that an appraisal has been done does not prevent each party from having the right to ask for a jury trial. Magistrate Anderson asked if the MOU had been approved by the present Fiscal Court and David Deskins answered it was approved about four or five years ago. Attorney Case said he believed the MOU was actually signed by former Judge/Executive William M. Deskins.

Judge Rutherford asked Mr. Lilly if he needed to comment on the agenda item for acquisition of any additional properties but Mr. Lilly answered this was only in case any new properties were submitted. He reported there are none for consideration at this time.

Estimate of a timetable came next and Mr. Lilly explained there is much to be done as far as financing goes. He said it would take probably a year to have construction dollars set and that should allow substantial time for tenants to vacate premises. Codell Construction will do the scheduling for this. Attorney Case asked if the Board wanted him to proceed with letters to the leaseholders who were not actual owners of the property and Mr. Lilly said it depended on how quickly the County Attorney's office could move on this process before a timetable could be set up. Judge Rutherford pointed out that Attorney Case felt in his opinion the renters who are currently occupying the buildings should be given notice. Attorney Case said most leases have a clause concerning condemnation in case it happens during the duration of the lease.

Judge Rutherford asked if any reimbursements or work by the County would have to be done and Attorney Case said title searches should be the first work done to make sure all the property is included and no section or piece is left out. Mr. Lilly responded the cost and fees for this action are built into the project so it will be covered and there will be no expense to Pike County. He said the County Attorney is already on the payroll. Attorney Case said the expenses could be major if title searches, actions filed and right of entry research is all completed. He said the actual summons and actions are not issued until after the commissioners' bring back the order. Mr. Lilly said thirty-six projects are active across the state. Judge Rutherford said, however, this project of 98,000 square feet is the largest in the state now.

Attorney Case said he had several inquiries as to why the County is doing the condemnation rather than the City of Pikeville since the building will be located in the city itself. He stated this is because the County will own the building after it is paid for. Mr. Lilly said AP Part Ten of the AOC contract was upgraded in 2005 and this format was at that time initiated. He said the procedures followed by others as well as this Board are done on these types of projects. Judge Eddy Coleman emphasized that these meetings have all been duly advertised with published notice given. Judge Rutherford noted there has been little attendance at each meeting by the public at the meetings for either the architects, construction managers or financial firms. He said it was made clear that no one wanted the building to be located out of the city limits.

Attorney Case asked Mr. Lilly to explain the procedure by which offers were made and whether he from the county attorney's office should make any offers or not make any. Mr. Lilly said the new AP Part Ten gave the guidelines for these procedures and he is instructed to keep this Board within those guidelines throughout the project. He said the Board sought MAI appraisers. Judge Rutherford asked him to explain what the MAI appraisers meant. Mr. Lilly responded that an MAI appraiser is someone who has a specialty in realty that is related more to business than residential. He said there are not

many in the state which is why they usually must be secured from out of the areas of the projects. He affirmed that Tom Collier, the appraiser doing these properties, is qualified. Attorney Case said if an appraiser suggested one figure and the property owner countered with another offer, this Board cannot negotiate since the highest figure has been offered. Mr. Lilly said AOC, AP Part Ten, states that only the maximum of the MAI appraisal will be offered and that is what will be paid within the AOC guidelines.

Public comment from the audience began with Mike Stewart from the Grace Fellowship Church who wanted to inquire if the choice of property is indeed final with no chance of any change. Mr. Lilly said the Board had chosen and voted upon this property and it is final.

Robert Pinson, property owner, stated he was told his property on Pike and Second Streets is the "prime perfect location" and he wondered if that were true, why was his property valued at so little. He also asked about business disruption and why he could be shut down so easily. Mr. Lilly said Mr. Pinson had not cooperated with the appraiser and this is why his appraisal was so low. Attorney Case said he had been told that no access was afforded to Mr. Pinson's records as far as income being produced by his various businesses. Mr. Pinson said he had been told a year ago that there would be no business disruption. He was applauded by those present in the audience when he said the Judicial Center would take four blocks of Pikeville, a quarter of the city, so how much of the city would be left to save after the new building is constructed.

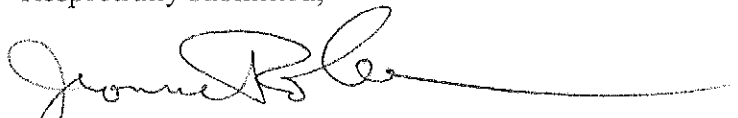
Mike Nusser came representing the Artisans Center and stated a future cannot be created by tearing down the past.

Justine Bradford of the Artisans Center asked that what can be saved in the town be saved. Neal Smith urged her to attend all the meetings. Mr. Deskins said the committee has always made the community aware of the location. Donovan Blackburn urged everyone to keep attending the meetings and to work with the architect on the building design. Mrs. Bradford noted that the building housing the Artisans Center has been there since 1918. Tinker Page also spoke, stating the majority of the citizens have just learned about the building site. She asked about the possibility of locating at another site. Judge Rutherford noted the architect chose the site by point system and there have been more complaints from tenants than property owners. Mr. Lilly said from all criteria considered, this was the prime choice. Mr. Smith said the property owners who had come to his office were "very enthusiastic" about selling.

Judge Darrell Mullins urged that the historical value of the Weddington Theater, Gene & Mike's, Kroger's the Pinson Hotel and jewelry store be remembered. Judge Coleman said this is not taken lightly but most of the buildings are empty; that this Judicial Center is important for the community.

With no further comment or business to come before the Board, Judge Rutherford ADJOURNED the meeting.

Respectfully submitted,



Jeanne Robinson, Acting Recorder